

**06156 S      WORKER'S COMPENSATION MEDICAL BILL REVIEW SERVICES – RM (NIGP 94620)**

**DATE OF LAST REVISION: January 10, 2007      CONTRACT END DATE: March 31, 2010**

**CONTRACT PERIOD THROUGH MARCH 31, 2010**

TO:              All Departments

FROM:           Department of Materials Management

SUBJECT:        Contract for **WORKER'S COMPENSATION MEDICAL BILL REVIEW SERVICES – RM  
(NIGP 94620)**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **February 07, 2007(Eff. 3/01/07)**.

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

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Wes Baysinger, Director  
Materials Management

SF/ks  
Attach

Copy to:        Clerk of the Board  
Peter Crowley, Risk Management  
Kathy Sicard, Materials Management

(Please remove Serial 01174-S from your contract notebooks)

**INVITATION FOR BID FOR: WORKER'S COMPENSATION MEDICAL BILL REVIEW SERVICES – RM (NIGP 94620)**

**1.0 INTENT:**

The intent of this solicitation is to identify contractors for the purposes of providing effective and efficient medical bill review services for Maricopa County's workers' compensation program. The resultant contract will be awarded for a *three (3) year period*, with options for renewal. **To be eligible for award consideration, respondent shall currently maintain an established office in Maricopa County. Respondents shall also state their current PPO network coverage(s) (pricing page, Attachment A), and fully comply with all mandatory submission requests found throughout this solicitation.** Contractor shall be required to provide the necessary services at the direction of the County's third party workers' compensation claims administrator and Maricopa County Risk Management. For four consecutive months in fiscal year 2006, the average number of medical bills received per month was 738 with the highest month 963 and the lowest 379. During this same four months the total billed charges by health providers amounted to \$1,478,129.57 or \$369,532.40 per month.

It is expected that one (1) contract award will be made by the County to provide stated services. The contract resultant of this solicitation is a requirements contract.

**2.0 MINIMUM TECHNICAL SPECIFICATIONS:**

**2.1 BILL REVIEW CONTRACTOR RESPONSIBILITIES**

- 2.1.1 Review individual bills and identify charges in excess of the Industrial Commission Physician Fee Schedule.
- 2.1.2 Review individual bills and identify improperly applied Managed Care discount.
- 2.1.3 Review individual bills and identify medically unnecessary procedures.
- 2.1.4 Review individual bills and identify improperly coded medical procedures.
- 2.1.5 Review individual bills and identify medical providers who provide excessive utilization of their services.
- 2.1.6 Review individual bills and identify medical procedures not covered by the Industrial Commission Physician Fee Schedule.
- 2.1.7 Review bills and identify duplications.
- 2.1.8 Re-price pharmaceutical services based on a reliable method.
- 2.1.9 Track prescription usage and alert County Agency for potential abuse.
- 2.1.10 Review bills not covered under the Fee Schedule and determine if the provider has charged according to reasonable and customary rates.
- 2.1.11 The Contractor shall review each bill within a **maximum** of seven (7) calendar day turnaround time, from the date the bill is made available to the Contractor. **Consideration shall be given to those Contractors who propose turnaround time of less than seven (7) calendar days, from the date the bill is made available to the Contractor.**

- 2.1.12 The Contractor shall be provided with the original bill for review and evaluation. It is the responsibility of the Contractor to arrange for the pick-up and return of said bill and related documentation in a manner and frequency that is acceptable to the County agency.
- 2.1.13 Contractor shall provide a quality assurance representative that will assist in the handling of problems, disputes and workflow challenges. This representative shall be available to the County agency during normal working hours of Monday through Friday, 7:30 AM (MST) to 5:00 PM (MST). When deemed necessary by the County agency, the Contractor shall provide additional resources, at no additional cost to the County agency, should challenges or problems arise and the Contractor is unable to fulfill any requirements as stated herein.

## 2.2 REPORTING REQUIREMENTS:

- 2.2.1 The Contractor shall submit a *comprehensive Monthly Net Savings Report* within thirty (30) days of each month end. *Stated report shall include the following reporting categories:*

1. Total dollar amount of bills submitted for audit.
2. Bill review reductions.
3. PPO reductions.
4. Recommended allowance.
5. Gross savings.
6. Gross percentage of savings.
7. Total monthly fee for service.
8. Overall net savings.
9. Net percentage of savings.

- 2.2.2 Bidders shall offer a sample report, encompassing the nine (9) categories listed above, with their response/bid. ***This is a mandatory requirement.***

## 2.3 SCOPE OF PRICING

***Two (2) options are solicited for pricing (contractor compensation). The respondent shall state their offers, for both options, on the pricing page (Attachment A). One (1) of the two (2) options will be chosen, by the County. Bidders shall understand that their bid shall include pricing for both options, listed below. Failure to offer pricing for both options will result in rejection of that bidder's response. The County will determine which option, from the bids received, is in the best interests of the County.***

- 2.3.1 **Option A:** *The respondent SHALL state an “all inclusive” firm, fixed, guaranteed not-to-exceed percent of “verified” net savings of the PPO network review, as service compensation.*
- 2.3.2 **Option B:** *The respondent SHALL state a “fixed fee” charge “per bill” review, AND the contractor SHALL state a percentage of “verified” net savings of the PPO network review, as service compensation.*

## 2.4 TAX:

No tax shall be levied against labor. Bid pricing to include all labor, overhead tools and equipment used, profit, and any taxes that may be levied. It is the responsibility of the Contractor to determine any and all taxes and include the same in bid price.

2.5 DELIVERY:

It shall be the Contractor's responsibility to meet the County's service delivery requirements, as called for in the Technical Specifications. Maricopa County reserves the right to obtain services on the open market in the event the Contractor fails to make service delivery and any price differential will be charged against the Contractor.

2.6 REFERENCES:

Contractors must provide **at least three (3)** reference accounts to which they are presently providing this service. Included shall be the name of the government or company, individual to contact, phone number, street address and e-mail address, inclusive of a brief narrative regarding the services provided to that client, which are relevant to this solicitation.. *See "Attachment C", for complete details of this requirement.* Preference in awarding this Contract may be given to Contractors furnishing government accounts similar in size to Maricopa County.

2.7 USAGE REPORT:

The Contractor shall furnish the County a quarterly usage report delineating the acquisition activity governed by the Contract. The format of the report shall be approved by the County and shall disclose the quantity and dollar value of each contract item by individual unit.

2.8 INVOICES AND PAYMENTS:

**2.8.1 The Contractor shall submit two (2) legible copies of their detailed invoice before payment(s) can be made. At a minimum, the invoice must provide the following information:**

- 2.8.1.1 Company name, address and contact
- 2.8.1.2 County bill-to name and contact information
- 2.8.1.3 Contract Serial Number
- 2.8.1.4 County purchase order number
- 2.8.1.5 Invoice number and date
- 2.8.1.6 Payment terms
- 2.8.1.7 Date of service or delivery
- 2.8.1.8 Quantity (number of days or weeks)
- 2.8.1.9 Contract Item number(s)
- 2.8.1.10 Description of Purchase (product or services)
- 2.8.1.11 Pricing per unit of purchase
- 2.8.1.12 Freight (if applicable)
- 2.8.1.13 Extended price
- 2.8.1.14 Mileage w/rate (if applicable)
- 2.8.1.15 Arrival and completion time (if applicable)
- 2.8.1.16 Total Amount Due

**Problems regarding billing or invoicing shall be directed to the using agency as listed on the Purchase Order.**

**2.8.2** Payment will be made to the Contractor by Accounts Payable through the Maricopa County Vendor Express Payment Program. This is an Electronic Funds Transfer (EFT) process. After Award the Contractor shall fill out an EFT Enrollment form (to be provided by the Procurement Officer) or as located on the County Department of Finance Website as a fillable PDF document ([www.maricopa.gov/finance/](http://www.maricopa.gov/finance/)).

- 2.8.3 EFT payments to the routing and account numbers designated by the Contractor will include the details on the specific invoices that the payment covers. The Contractor is required to discuss remittance delivery capabilities with their designated financial institution for access to those details.

### **3.0 SPECIAL TERMS & CONDITIONS:**

#### **1.1 CONTRACT TERM:**

This Invitation for Bid is for awarding a firm, fixed price purchasing contract to cover a three (3) year period.

#### **1.2 OPTION TO EXTEND:**

The County may, at their option and with the approval of the Contractor, extend the period of this Contract up to a maximum of three (3), one (1) year options, (or at the County's sole discretion, extend the contract on a month to month bases for a maximum of six (6) months after expiration). The Contractor shall be notified in writing by the Materials Management Department of the County's intention to extend the contract period at least thirty (30) calendar days prior to the expiration of the original contract period.

#### **1.3 PRICE ADJUSTMENTS:**

Any requests for reasonable price adjustments must be submitted sixty (60) days prior to the Contract expiration. Requests for adjustment in cost of labor and/or materials must be supported by appropriate documentation. If County agrees to the adjusted price terms, County shall issue written approval of the change. The reasonableness of the request will be determined by comparing the request with the (Consumer Price Index) or by performing a market survey.

#### **1.4 INDEMNIFICATION AND INSURANCE:**

##### **1.4.1 INDEMNIFICATION**

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless County, its agents, representatives, officers, directors, officials, and employees from and against all claims, damages, losses and expenses, including, but not limited to, attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the negligent acts, errors, omissions or mistakes relating to the performance of this Contract. Contractor's duty to defend, indemnify and hold harmless County, its agents, representatives, officers, directors, officials, and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property, including loss of use resulting there from, caused by any negligent acts, errors, omissions or mistakes in the performance of this Contract including any person for whose acts, errors, omissions or mistakes Contractor may be legally liable.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

The scope of this indemnification does not extend to the sole negligence of County.

**1.5 INSURANCE REQUIREMENTS**

Contractor, at Contractor's own expense, shall purchase and maintain the herein stipulated minimum insurance from a company or companies duly licensed by the State of Arizona and possessing a current A.M. Best, Inc. rating of B++6. In lieu of State of Arizona licensing, the stipulated insurance may be purchased from a company or companies, which are authorized to do business in the State of Arizona, provided that said insurance companies meet the approval of County. The form of any insurance policies and forms must be acceptable to County.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of County, constitute a material breach of this Contract.

Contractor's insurance shall be primary insurance as respects County, and any insurance or self-insurance maintained by County shall not contribute to it.

Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect the County's right to coverage afforded under the insurance policies.

The insurance policies may provide coverage that contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to County under such policies. Contractor shall be solely responsible for the deductible and/or self-insured retention and County, at its option, may require Contractor to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

County reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and/or endorsements. County shall not be obligated, however, to review such policies and/or endorsements or to advise Contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of County's right to insist on strict fulfillment of Contractor's obligations under this Contract.

The insurance policies required by this Contract, except Workers' Compensation, and Errors and Omissions, shall name County, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

The policies required hereunder, except Workers' Compensation, and Errors and Omissions, shall contain a waiver of transfer of rights of recovery (subrogation) against County, its agents, representatives, officers, directors, officials and employees for any claims arising out of Contractor's work or service.

Contractor is required to procure and maintain the following coverages indicated by a checkmark:

**1.5.1 Commercial General Liability:**

Commercial General Liability insurance and, if necessary, Commercial Umbrella insurance with a limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products/Completed Operations Aggregate, and \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage, and shall not contain any provision which would serve to limit third party action over claims. There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.

1.5.2 Automobile Liability:

Commercial/Business Automobile Liability insurance and, if necessary, Commercial Umbrella insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence with respect to any of the Contractor's owned, hired, and non-owned vehicles assigned to or used in performance of the Contractor's work or services under this Contract.

1.5.3 Workers' Compensation:

Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the work or services under this Contract; and Employer's Liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit. (N.B. - \$1,000,000 limits on larger contracts)

Contractor waives all rights against County and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the Workers' Compensation and Employer's Liability or commercial umbrella liability insurance obtained by Contractor pursuant to this Contract.

1.5.4 Errors and Omissions Insurance:

Errors and Omissions insurance and, if necessary, Commercial Umbrella insurance, which will insure and provide coverage for errors or omissions of the Contractor, with limits of no less than \$1,000,000 for each claim.

1.5.5 Certificates of Insurance.

1.5.5.1 Prior to commencing work or services under this Contract, Contractor shall furnish the County with certificates of insurance, or formal endorsements as required by the Contract in the form provided by the County, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect. Such certificates shall identify this contract number and title.

1.5.5.2 Prior to commencing work or services under this Contract, Contractor shall have insurance in effect as required by the Contract in the form provided by the County, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect. Such certificates shall be made available to the County upon 48 hours notice. **BY SIGNING THE AGREEMENT PAGE THE CONTRACTOR AGREES TO THIS REQUIREMENT AND FAILURE TO MEET THIS REQUIREMENT WILL RESULT IN CANCELLATION OF CONTRACT.**

In the event any insurance policy (ies) required by this contract is (are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of **Contractor's** work or services and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of the Contract, a renewal certificate must be sent to **County** fifteen (15) days prior to the expiration date.

1.5.5.3 Cancellation and Expiration Notice.

Insurance required herein shall not be permitted to expire, be canceled, or materially changed without thirty (30) days prior written notice to the County.

1.6 PROCUREMENT CARD ORDERING CAPABILITY:

It is the intent of Maricopa County to utilize a procurement card that may be used by the County from time to time, to place and make payment for orders under the Contract. Respondents without this capability may be considered non-responsive and not eligible for award consideration.

1.7 NO GUARANTEED QUANTITIES.

The Respondent understands and hereby acknowledges that the County makes no representations nor guarantees the Respondent any minimum or maximum number of units of service to be provided under this Contract

1.8 ORDERING AUTHORITY.

1.8.1 Respondents should understand that any request for purchase of materials or services shall be accompanied by a valid purchase order, issued by Materials Management, or by a Certified Agency Procurement Aid (CAPA).

1.8.2 Maricopa County departments, cities, other counties, schools and special districts, universities, nonprofit educational and public health institutions may also purchase from under this Contract at their discretion and/or other state and local agencies (Customers) may procure the products under this Contract by the issuance of a purchase order to the Respondent. Purchase orders must cite the Contract number.

1.8.3 Contract award is in accordance with the Maricopa County Procurement Code. All requirements for the competitive award of this Contract have been met. A purchase order for the products is the only document necessary for Customers to purchase and for the Respondent to proceed with delivery of materials available under this Contract.

1.8.4 Any attempt to represent any product not specifically awarded under this Contract is a violation of the Contract. Any such action is subject to the legal and contractual remedies available to the County, inclusive of, but not limited to, Contract cancellation, suspension and/or debarment of the Respondent.

1.9 INQUIRIES AND NOTICES:

All inquiries concerning information herein shall be addressed to:

MARICOPA COUNTY  
DEPARTMENT OF MATERIALS MANAGEMENT  
ATTN: CONTRACT ADMINISTRATION  
320 W. LINCOLN ST.  
PHOENIX, AZ 85003

Administrative telephone inquiries shall be addressed to:

STAN FISHER, SENIOR PROCUREMENT OFFICER, 602-506-3274  
([sfisher@mail.maricopa.gov](mailto:sfisher@mail.maricopa.gov))



Technical telephone inquiries shall be addressed to:

Peter Crowley, Manager, Maricopa County Risk Management, 602-506-8226  
([pcrowley@mail.maricopa.gov](mailto:pcrowley@mail.maricopa.gov))

Inquiries may be submitted by telephone but must be followed up in writing. No oral communication is binding on Maricopa County.

1.10 EVALUATION CRITERIA.

1.10.1 The evaluation of Bids will be based on, but will not be limited to, the following:

1.10.1.1 Compliance with specifications, inclusive of full compliance with all submission requests found throughout this solicitation effort.

1.10.1.2 Price.

1.10.1.3 Determination of Responsibility.

1.10.2 The County reserves the right to award in whole or in part, by item or group of items, by section or geographic area, or make multiple awards, where such action serves the County's best interest.

1.11 SUBMISSION PRICE CLARITY.

For reasons of clarity all submissions of pricing (Attachment A) shall be priced in the same unit (size, volume, quantity, weight, etc.) as the bid specifications request. Submissions (bids) failing to comply with this requirement may be declared non-responsive.

1.12 INSTRUCTIONS FOR PREPARING AND SUBMITTING BIDS.

**Respondents shall provide one (1) original hardcopy (labeled), and two ( 2) hardcopy copies and two (2) electronic copies, including pricing, on CD.** Respondents are to identify their responses with the bid serial number, title and return address to Maricopa County, Department of Materials Management, 320 West Lincoln, Phoenix, Arizona 85003. **The owner, corporate official or partner who has been authorized to make such commitments must sign bids.**

1.13 RESPONDENT REVIEW OF DOCUMENTS.

The Respondent must review its Bid submission to assure the following requirements are met.

1.13.1 **Mandatory:** One (1) original hardcopy (labeled), two (2) hardcopy copies and two (2) electronic copy of pricing on a CD;

1.13.2 **Mandatory:** Attachment "A", Pricing;

1.13.3 **Mandatory:** Attachment "B", Agreement; and

1.13.4 **Mandatory:** Attachment "C", References (three (3) required, inclusive of requested narrative).

1.14 POST AWARD MEETING:

The successful Respondent(s) may be required to attend a post-award meeting with the Using Agency to discuss the terms and conditions of the Contract. This meeting will be coordinated by the Procurement Officer of the Contract.

**ADVANTAGE WORKCOMP SERVICES, 7500 N DREAMY DRAW DR STE 135, PHOENIX, AZ 85020**

**PRICING SHEET: P089302/B0604235 (NIGP 94620)**

WILLING TO ACCEPT FUTURE SOLICITATIONS VIA EMAIL: ☒ YES ☐ NO

ACCEPT PROCUREMENT CARD: ☐ YES ☒ NO

REBATE (CASH OR CREDIT) FOR UTILIZING PROCUREMENT CARD: ☐ YES ☒ NO ☐ %  
REBATE (Payment shall be made within 48 hrs utilizing the Purchasing Card)

OTHER GOV'T. AGENCIES MAY USE THIS CONTRACT: ☐ YES ☒ NO

**1.0 PRICING:**

<u>ITEM DESCRIPTION</u>	<u>RESPONSE</u>
1.1 OPTION A: Bidder shall indicate/offer fixed percentage of "net savings" offer, for medical bill review services:	10 %
1.3 Bidder's "guaranteed turn around time" (calendar days) for medical bill review from the date the original bill is made available for review: (Turnaround time of seven (7) calendar days maximum, is required) see 2.1.11	5 /days
1.4 Location of bidder's established office in Maricopa County (REQUIRED):  7500 N. Dreamy Draw Drive - Suite #135 Phoenix, Arizona 85020	
1.5 Bidder shall state PPO network coverage(s) (REQUIRED):  Prime Health, Pinnacle One Call - One Call Medical PPO, Advantage Net-Custom PPO - PTPN, Claris Point, Arizona Foundation for Medical Care, Advantage - Custom PPO - Canyon Surgery Center, Geo Comp - Comp IQ reviews for hospitals.	
1.6 Three (3) references provided, inclusive of required narrative?	X YES NO
1.7 Sample report, provided, with your bid/response, as defined in Section 2.2?	X YES NO

Terms: Net 30

Vendor Number: W000003490 X

Telephone Number: 480-367-2017

Fax Number: 480-367-2001

Contact Person: John Huffman

E-mail Address: [jhuffman@pinnaclelrisk.com](mailto:jhuffman@pinnaclelrisk.com)

Company Web Site: [www.advantagewcs.com](http://www.advantagewcs.com)

Contract Period: To cover the period ending **March 31, 2010.**